

2. Ameritech's Operational Support Systems are not yet stable, fully tested and operationally ready for use by competitors.

Ameritech concedes that the present status of its OSS must satisfy two requirements in this proceeding:

First, Ameritech should have to demonstrate that its OSS interfaces are operational, i.e., that they have undergone sufficient testing to provide reasonable assurance that competitors can obtain upon request the OSS-related capabilities to which they are entitled. Second, Ameritech should have to demonstrate that it can respond to anticipated demand in the marketplace

(Initial Brief of Ameritech Ohio, at 23.) Ameritech has shown neither. In attempting to demonstrate the first, Ameritech ignores the fact that its competitors must continue to chase changing specifications for interface use. It relies almost exclusively upon its own internal testing of the interfaces, claiming that it need not be concerned with the manner in which they function while communicating with a competitor's systems. (Initial Brief of Ameritech Ohio, at 33-35, 37). And it purports to believe that, if some of its systems function adequately for minute levels of services for one small competitor, or for different services for interexchange carriers, then the systems are ready for commercially significant use by new entrants in the local market. (Id. at 24-26) The 1996 Act requires more: Ameritech must demonstrate that local competitors are actually able to access and communicate with its OSS in quantities that reflect a commercial marketplace.

This Commission has ample authority and expertise to evaluate, based on facts presented in the record, whether Ameritech's systems have yet reached the required state of operational readiness. Indeed, the purpose of the activities

undertaken in this docket is to determine just that. This Commission is in a position to evaluate neutrally the competitive use of Ameritech's systems to date, including all problems and complaints encountered by the parties, in order to determine whether Ameritech has met and will continue to meet its statutory obligations.

In fact, Ameritech cannot even demonstrate that a single competitive provider is successfully accessing each of its interfaces. Nor did Ameritech demonstrate in the record that it is processing a material number of transactions reliably, such that Ameritech can also process volumes of CLEC transactions equivalent to its own volumes in a nondiscriminatory manner. Unless Ameritech is able to meet that standard, there is no sound basis for concluding that new entrants will receive adequate OSS support in their competitive efforts.

Ameritech does not, and cannot, deny that the specifications it provides for use of the OSS are still in a state of flux, with continuing revisions and modifications to the interfaces that competing carriers must repeatedly adapt to. For example, Ameritech has published interface specifications for ordering resale services on four separate occasions since April of 1996 — the date on which Ameritech now claims that this critical function was "operational." (Initial Brief of Ameritech Ohio, at 25; Connolly Surrebuttal Test., supra, at 11.) The latest version — issued on November 8, 1996 — created problems and concerns which resulted in Ameritech agreeing to draft further additions. (Connolly, id.) Ameritech's EDI interface was "updated" as recently as December, 1996, with further "addendums" in January, 1997. (Rogers Test., Tr. Vol. XIII, at 255.) In addition, Ameritech has recently disclosed that it may change the process for ordering some unbundled elements to EDI from ASR; "we're considering

that right now." (Rogers, id., at 247.) Ameritech's alleged "solution" to the problem of ordering the standard platform did not emerge until after the beginning of these very hearings, as Ameritech struggled to erect a facade of compliance with its statutory obligations, and it raised more questions than it answered.

Ameritech represents that some interface functions are "operational" solely because they have previously been used in a different context, for different purposes, in the interexchange market. When these systems are used to support local market services and new entrant carriers – purposes other than those intended in their original design – they may need significant modifications; it is simply not yet known if they will work as Ameritech claims. (Connolly, supra, at 23; Reeves Surrebuttal Test, at 8-9) For example, Ameritech represents in its initial brief that its repair and maintenance interface is "operational" and "currently in use," because some interexchange carriers have used it for repair and maintenance related to long-distance access services; but "there are significant differences between the repair and maintenance of access service and those for local services." (Id., at 44; Reeves Surrebuttal Test. at 9-10.) While the interface apparently works for the long-distance problems of a limited number of interexchange carriers supplying limited types of services, Ameritech's insistence that it will readily work for local service problems is "a leap of faith" that only testing and commercial use can verify. (Id.)

Ameritech must instead demonstrate that its OSS will actually support commercially significant applications in the local market. At the outset, the ability of new entrants to access and communicate with Ameritech's OSS must be shown through adequate testing before these systems can be deemed "operational." AT&T is

the only CLEC that has engaged in expansive and varied service readiness testing. As those testing results reveal, Ameritech's systems are not yet capable of reliably communicating with CLEC systems for the purposes of processing a wide variety of customer transactions. (Connolly Surrebuttal at 3, 30-31, 39-40.) Even where the systems are successfully communicating the needed information, Ameritech relies heavily on manual processing to complete the transactions. (Id., at 32-33, 34.) As discussed below, this fact alone demonstrates that the systems are not operationally ready.

Ameritech dismisses these test results as irrelevant. It suggests that any problems AT&T experiences in accessing its OSS are due entirely to its own lack of initiative or competence. Thus, Ameritech is more interested in assigning blame than in providing an OSS which actually works for new local market entrants. The significant fact is that, to date, only a small number of orders have passed successfully through the Ameritech interfaces, and most of those did so only by means of special, manual handling. (Connolly, supra, at 30.) There is simply no evidence that the system will work at the commercially significant volumes expected in a competitive local market environment.

Ameritech cannot explain away the inability of local competitors to achieve parity access to its OSS by engaging in arguments about who is to blame. The question instead is Ameritech's ability and willingness to work with new entrants to find and solve the problems, whatever it might be, and thus make effective local competition a reality. In this instance, Ameritech's representations in these proceedings can be tested against commercial reality.

Ameritech's witness Mickens testified at one point that, when a CLEC's orders are rejected due to formatting incompatibilities that develop between the CLEC's systems and Ameritech's OSS, it is the CLEC's responsibility to discover and solve the problem by seeking further information from Ameritech (Tr. Vol. XIII at 98-99); later, he indicated that even if a CLEC did ask for such information, Ameritech would not provide it (Id., at 108). In fact, when AT&T did just that, and sought a meeting with Ameritech with respect to "what causes orders to fall to a manual process, how that work is then processed and how we can work together to correct and minimize any manual fallout," in a letter dated February 7, 1997 (Bryant letter, February 7, 1997, attached as Exhibit B), Ameritech flatly refused to meet: "I fail to see the benefit of ... explaining matters internal to Ameritech." (Hemphill letter, February 19, 1997, attached as Exhibit C.) Ameritech even argues that AT&T's systems, on AT&T's side of the interfaces, are "not even close to being ready" to use Ameritech's OSS, citing AT&T's witness Connolly. (Initial Brief of Ameritech Ohio, at 36.) Ameritech omits the crucial fact that Connolly ascribed AT&T's lack of operational readiness to the ongoing changes in Ameritech's specifications and to Ameritech's "lack of cooperation and unwillingness to share information." (Connolly Surrebuttal, at 26.)

AT&T's own testing experiences are not in any way undermined by the fact that they are presented by a witness who was not a member of AT&T's service readiness team. (See Initial Brief of Ameritech Ohio, at 28.) Mr. Connolly, who has over 15 years' experience analyzing systems that support the telecommunications industry, has spent a substantial amount of time discussing the relevant issues with AT&T employees and reviewing specification and testing documents made available by

Ameritech or retained in Ameritech's discovery room. Mr. Connolly's testimony amply illustrates both the difficulty of the implementation task as well as the problems and deficiencies inherent in Ameritech's current systems' offerings including:

- Ameritech has refused to explain why such a large number of orders are falling out of its electronic processing stream to manual processing;
- there has been extremely limited CLEC testing and use of Ameritech's systems;
- during the course of the AT&T/Ameritech field testing, the parties identified 49 "significant events" — events that required further investigation and review — and some of those issues were not resolved for months, while others continue to remain open; and
- during the week of January 8, resale orders were rejected for unidentified reasons related to system changes implemented by Ameritech; the overall testing results show a need for more testing and system refinement.

Connolly Surrebuttal at 12, 24, 32-33, 38, 40-41.) Ameritech's misguided effort to discredit these points by simply arguing that Mr. Connolly had no personal involvement in the testing or implementation of AT&T's systems should be ignored. The facts speak for themselves.

Ameritech continues to deny that its extensive reliance on manual processing is relevant. (Initial Brief of Ameritech Ohio at 26.) This position is not only contrary to FCC mandate, it underscores the degree to which Ameritech is willing to

claim compliance while actually failing to provide reasonable and reliable access. The FCC has made its position clear, specifically rejecting reliance on manual processing or human intervention: "Obviously, an incumbent that provisions network resources electronically does not discharge its obligation under section 251(c)(3) by offering competing providers access that involves human intervention" FCC Order, ¶ 523.

Despite this clear statement, Ameritech continues to assert that its heavy reliance on manual processing is of no import to CLECs or to this Commission. (Initial Brief of Ameritech Ohio, at 35.) In fact, Ameritech has not yet adequately explained why 75% of the orders completed during the AT&T/Ameritech service readiness testing fell out to manual processing. Likewise, Ameritech has not explained why 100% of the orders processed on the ASR interface require human intervention.

Ameritech instead tries to overcome these deficiencies by promising to complete electronically-processed and manually-processed orders on a parity basis. But this is not sufficient. Ameritech's own OSS witnesses acknowledged that manual processing cannot provide parity to electronic processing in terms of speed, timeliness or accuracy. (Mickens Test., Tr. Vol. XIII, at 108-111; Rogers Test., Tr. Vol. XIII, at 214-215, 242-243.) Human intervention also introduces a greater potential for errors. (Id.) When manual processing occurs at such a large scale with transactions that are normally processed electronically, Ameritech cannot be said to be providing the nondiscriminatory access it is required to provide. "[M]anual processes are wholly inadequate to support competitive LEC entry on any significant scale." (Connolly, supra, at 25.) AT&T personnel have repeatedly sought to work with Ameritech to determine the causes of this manual intervention, but Ameritech flatly refuses to share

information and cooperate in this endeavor. (Connolly, id., at 33; Bryant letter, supra, attached as Exhibit C.)

Ameritech must demonstrate in these proceedings that its systems will support local competitors in a full-range of commercially significant activities, with performance equivalent to what Ameritech itself receives. That standard has not yet been met.

B. Ameritech has refused to provide unbundled local transport on a shared basis.

As previously indicated, the record is clear in this proceeding that Ameritech is not yet providing any unbundled network elements to new entrants and, therefore, cannot claim checklist compliance. In addition, in its Initial Brief, AT&T demonstrated that even what Ameritech proposes to offer as unbundled local transport is inadequate under the Act and the FCC's Regulations. Ameritech's proposal, in fact, is designed to raise the barriers to competitive entry in the local exchange market by increasing the cost of establishing necessary transport facilities.

The FCC Order requires incumbent LECs to provide new entrants with both dedicated and shared transport on an unbundled basis. Ameritech has responded by offering two versions of dedicated transport. Under what Ameritech calls dedicated/"shared" transport, the purchasing carrier would acquire dedicated transport which, if it chooses, it could in turn "share" with other new entrants, acting as a "primary" carrier in relation to Ameritech. In other words, Ameritech will not interfere with the right of the purchasing carrier to share transport capacity with other new entrants — Ameritech, of course, could not do so in any event.

In fact, Ameritech's witness stated that shared transport is the same as a dedicated facility, with the only distinction being who used the facility. (Dunny Tr. Vol. 12 at p. 75.) However, Ameritech's witness similarly made clear that it would never be one of the entities sharing what it considers to be a shared transport facility. (Dunny Tr. Vol. 12 at 76.) Mr. Dunny further agreed that if a new entrant who is a primary carrier cannot find any other carrier to share the transport, the new entrant would be forced to use dedicated transport. (Id. at 81.) In a nascent local exchange market, it is not realistic to assume that a new entrant will locate another new entrant with whom it can "share." Consequently, new entrants will be forced to market, design, engineer, and acquire from Ameritech dedicated transmission facilities between Ameritech's end offices and tandem switching facilities and their own switching facilities. This can only create barriers to entry and is not consistent with Ameritech's parity requirements.

Ameritech's aim is to make it unnecessarily difficult for new entrants to secure local transmission. Network facilities are in place today which Ameritech uses and will continue to use to transport local traffic between and among Ameritech's end offices and tandems. (Id. at 75.) Instead of providing access to this existing local transport, Ameritech would require the creation of discrete, physically separated transport facilities by new entrants. Even Ameritech's most recent twist to allow shared bandwidth still implies physical partitioning of the shared transport. Such physical partitioning retains the associated concerns: ordering bandwidth without the advantage of historical traffic data, engineering the bandwidth, inefficient network design and possible tandem congestion. (Sherry Surrebuttal at pp. 10-11.) Further, Ameritech

made it similarly clear that it would not share bandwidth. (Dunny, Tr. Vol. 12, pp. 77-80).

The FCC has defined unbundled interoffice transmission facilities to include ILEC transmission facilities shared by more than one customer or carrier. 47 C.F.R. §51.319(d). Under the Act, carrier is defined as "any provider of telecommunications services..." Act, §3(a)(49). Ameritech is a carrier. Thus, Ameritech's position that only its traffic will never be transported through the unbundled shared transport cannot be in compliance with the Act or the rules. It also does not meet the checklist requirement that nondiscriminatory access be provided to unbundled elements on rates, terms and conditions that are nondiscriminatory.

Ameritech argues that AT&T's requested shared transport is not a "network element," but rather is a "service" tantamount to switched access or wholesale usage. (Initial Brief of Ameritech Ohio, at 46-47.) Ameritech attempts to support this argument by claiming that the FCC took great pains to distinguish between the two. It quotes the FCC as stating that when new entrants "purchase unbundled elements from incumbents, they are not purchasing exchange access 'services.' They are purchasing a different product, and that product is the right to exclusive access or use of an entire element." First Report and Order, ¶ 358. Similarly, Ameritech argues, the FCC noted that a carrier purchasing access to network elements must pay for "the cost of that facility," and runs the risk that it may not have sufficient demand for services using "that facility." Citing First Report and Order, ¶ 334. Ameritech proclaims that "[t]here is no mention of 'common transport' in the FCC's regulations or in the First Report and Order discussing interoffice transmission facilities." (Initial Brief of Ameritech Ohio, at 47.)

Ameritech's contention that the FCC requires that a network element entail exclusive access to a discrete physical facility is erroneous. Unbundled local switching, for example, entails access to a facility (the switch) that is shared or used "in common" by the traffic of Ameritech and new entrants. The same is true of signaling. In fact, the FCC in its First Report and Order expressly rejected the arguments of some LECs that unbundled local switching involves the segregation or "partitioning" of the portion of the switch used by new entrants. The FCC stated:

"We also reject the argument that the definition of local switching that incorporates shared use of the local switch would involve physical partitioning of the switch. The requirements we establish for local switching do not entail physical division of the switch" First and Order, ¶ 416.

In effect, Ameritech is attempting to "partition" the transport network much in the same manner as proposed by certain LECs before the FCC. Its effort likewise should be rejected.

The definitional argument which Ameritech seeks to advance is, moreover, simply erroneous. As the FCC stated in describing network elements (and contrary to Ameritech's claim that the FCC did not contemplate the inclusion of common transport within the category of unbundled shared transport): "For some elements, especially the loop, the requesting carrier will purchase exclusive access to the element for a specific period, such as on a monthly basis. Carriers seeking other elements, especially shared facilities such as common transport, are essentially purchasing access to a functionality of the incumbent's facilities on a minute-by-minute

basis." First Report and Order, ¶ 258 (emphasis added).⁴ Plainly, access to the shared transport functionality suggested by AT&T falls squarely within the definition of a network element, as evidenced by the FCC's discussion of transport and as effectively conceded by Ameritech in the context of local switching and signaling.⁵

Ameritech then attempts to use the Commission's treatment of common transport in the MCI arbitration proceeding as support for its position. Ameritech states in this regard that AT&T expects shared transport to be billed on a per minute of use basis. (Initial Brief of Ameritech Ohio, at 47.) A review of the Commission's treatment of shared transport in the MCI arbitration proceeding, the AT&T arbitration proceeding and the Commission's Local Service Guidelines justifies this expectation of AT&T and demonstrates the fallacy of Ameritech's reliance.

The Commission's Local Service Guidelines provide that the costs for shared transmission facilities may be recovered through usage sensitive charges. (Guidelines at §V.B.2.b.4.) This Commission implemented this guideline in both the MCI and AT&T arbitration awards by adopting the panel reports' recommendation that rates for shared transmission facilities are to be usage sensitive rates – a minute of

⁴ Ameritech's proposed version of dedicated/"shared" transport is also inconsistent with the FCC determination that the rules it "establish(ed) for the unbundled interoffice facilities should maximize a competitor's flexibility to use new technologies in combination with the existing LEC facilities." First Report and Order, ¶441. The AT&T/Ameritech Interconnection Agreement provides for the ordering of the unbundled combination platform with OS/DA as a standard order. Ameritech's current position on shared transport is inconsistent with providing this combination as a standard order, as the ordering process for Ameritech's dedicated/"shared" transport would require a process not dissimilar to its BFR process. In fact, this very dispute is the sole remaining reason given by Ameritech for failing to fill AT&T's December 1996 request in Illinois for the standard UNE combination platform. (Dunry, Tr. Vol. 12 at 113-116.)

⁵ The Michigan Public Service Commission has agreed with and adopted AT&T's position regarding shared transport. See, In re petition of AT&T Communications of Michigan, Inc. for arbitration to establish an interconnection agreement with Ameritech Michigan, February 28, 1997 Opinion and Order, pp. 5-9.

use rate. (AT&T Arbitration Award at 11, adopting AT&T Panel Report at 28 and MCI Arbitration Award at 19, adopting MCI Panel Report at 24.) Ameritech did not take exception to or request rehearing on these minute of use rates. The discriminatory aspects of Ameritech's dedicated/"shared" transport, along with the minute-of-use charges ordered by this Commission for shared transport, demonstrates that Ameritech cannot sustain its requirement that new entrants create discrete, physically separated transport facilities for its newly defined dedicated/"shared" transport concept.⁶

Finally, Ameritech contends that its "alternative" of providing a service-based "hybrid" option satisfies its obligations under the Act. It offers new entrants access to common transport through Ameritech's hybrid alternative, which combines ULS with access or wholesale usage. A key difference, however, is that the prices of access/wholesale usage reflect historic subsidies; they are not established on the basis of forward-looking economic costs. Therefore, Ameritech's offer of access or usage service as a "hybrid" alternative does not satisfy the Act's requirement to make available network elements priced in accordance with the economic cost strictures of § 252(d).

⁶ As indicated by AT&T witness Sherry, Ameritech's position on dedicated/"shared" transport directly contradicts the position Ameritech espoused in its arbitration proceeding with AT&T regarding its requirement under the Act to provide shared transport. Mr. Sherry indicated that in Ameritech's Response to AT&T's Arbitration Petition, Ameritech stated that it agreed with AT&T that it was required to provide unbundled dedicated and common transport and that Ameritech's proposal offered these elements in compliance with the 1996 Act and the FCC's regulations. Further, in direct testimony filed in the AT&T arbitration, Ameritech's witness (Mr. Dunny) indicated that, with the exception of pricing, he was not aware of any disputes with AT&T regarding shared transport. The direct testimony of John B. Mayer filed in the AT&T/Ameritech arbitration included a discussion of whether AT&T's proposed performance standards for common transport were reasonable, but never objected to providing common transport, nor mentioned its current version of dedicated/"shared" transport. In fact, Mr. Mayer's testimony specifically discussed Ameritech's common transport, which he stated was shared by all users of the network, as well as by Ameritech itself, and, thus, the reason why AT&T's proposed performance standards for this element were not possible to measure. (Sherry Surrebuttal at 5.)

Accordingly, this Commission should require that Ameritech provide nondiscriminatory access to shared transport, priced in accordance with the standards of § 252(d), as a precondition to any finding that Ameritech has satisfied the requirement to unbundle local transport.

C. Ameritech has failed to meet the requirements applicable to unbundled local switching.

In its Initial Brief, AT&T pointed out that Ameritech has failed to meet the statutory requirements applicable to unbundled local switching in three respects:

- (1) Ameritech has imposed improper restrictions on use, including charges for terminating access and limits on the use of vertical features of the switches;
- (2) Ameritech has imposed improper restrictions on customized routing, in particular routing to competitors' operator services or directory assistance platform ("OS/DA");
- and (3) Ameritech has imposed improper charges on purchasers of the unbundled local switching element.

Ameritech does not appear to believe that its position restricts new entrants' use of vertical features that already exist as features, functions, or capabilities of a switch. Ameritech's current position on this issue blatantly violates the FCC's mandate that the purchasing carrier obtain "the exclusive right to provide all features, functions, and capabilities of the switch." (Order on Reconsideration, CC Docket No. 96-98, ¶ 11.) Ameritech has made clear that it has not established a means to advise new entrants of features which are embedded in the software of a switch, but not activated, that is in parity with the process available to its own business units. Further, it has indicated that new entrants would be required to use the BFR process for

features embedded in the software of a switch but not activated. (Dunny, Tr. Vol. 12 at 87.) Further, that Ameritech would not be required to use the same BFR process or pay the associated BFR charge. (Dunny, Tr. Vol. 12, pp. 91-93). These requirements on new entrants are discriminatory and could result in limiting the features that Ameritech's competitors can offer to only the features that Ameritech currently offers its own customers. Thus, Ameritech has reserved for itself the right to dictate the nature and scope of the retail services by which it will allow competition. This is obviously contrary to its express duties under the Act.

Ameritech's initial brief verifies that AT&T correctly described Ameritech's position regarding collection of terminating access charges. As confirmed by Ameritech in its brief, it will allow new entrants to collect if i) the new entrant purchases the whole unbundled platform or ii) if it purchases the ULS but not the platform and the IXC calls are terminated at the end office, rather than the tandem. However, Ameritech will retain the access charges if Ameritech's public switched network is used for transport from the IXC point of presence to the ULS switch. (Initial Brief of Ameritech Ohio, at 44.) Such a position is clearly improper as it would allow Ameritech to improperly impose conditions on the use of unbundled elements – forcing new entrants to bundle ULS with Ameritech's dedicated or dedicated/"shared" transport.

With respect to customized routing of OS/DA traffic, Ameritech states in its Initial Brief that it will use line class codes to support such routing "upon request and to the extent feasible." (Initial Brief of Ameritech Ohio, at 59.) The catch here is the "on request" caveat. What Ameritech is referring to is that it requires a "bona fide request" ("BFR") hurdle as a precondition to any custom routing other than the standard

routing in place in its network. Ameritech's position is inconsistent with the FCC's requirements and is discriminatory against new entrants. The FCC has stated:

We conclude that customized routing, which permits requesting carriers to designate the particular outgoing trunks that will carry certain classes of traffic originating from the competing provider's customers, is technically feasible in many LEC switches. Customized routing will enable a competitor to direct particular classes of calls to particular outgoing trunks, which will permit a new entrant to self-provide, or select among other providers of, interoffice facilities, operator services, and directory assistance.

(First Report and Order, ¶ 418.) Recognizing that the ability of the LEC to provide customized routing depends upon the capability of the switch in question, the FCC held that the requirement applies, "by definition," only to those switches that are capable of performing it. (Id.) However, it held, the "incumbent LEC must prove to the state commission that customized routing in a particular switch is not 'technically feasible.'" (Id.)

Ameritech concedes in its Initial Brief that this Commission concluded, in its Ameritech/AT&T Arbitration Award, that there is a presumption that such customized routing is technically feasible, and that Ameritech must bear the burden of demonstrating that such routing is not technically feasible. (Arbitration Award, at 15.) Imposition of a BFR requirement on customized routing requests effectively reverses that burden of proof. Customized routing should be available as a standard offering, with Ameritech justifying claims of technical unfeasibility in any given case; new entrants should not be required to prove that their customized routing requests are feasible on a case-by-case basis. Ameritech asserts that the technical feasibility of the

use of line class codes must be determined on a switch-by-switch basis, thus justifying its position that a BFR process is necessary. This BFR process would not be necessary if Ameritech would disclose the specific switches which they claim may have technical feasibility issues. However, in spite of Ameritech's claims that it is aggressively pursuing the technical feasibility of the use of line class codes, it had not reviewed its Ohio switches for use of these codes at the time of AT&T's arbitration, it had not reviewed its Ohio switches last November (Dunny, Tr. Vol. 1, p. 82) and, as of January 27, 1997, it still had not commenced this review. (Heinmiller Test., Tr. Vol. XI, at 57-58.)

That Ameritech in inserting the BFR procedure is discriminating against new entrants is apparent from a comparison of its position on selective routing of local transport under ULS with its position on selective routing of OS/DA. The dedicated or dedicated/"shared" transport which Ameritech proposes for unbundled local transport requires the same customized routing that is used to route a purchasing carrier's operator services and directory assistance traffic to its own OS/DA facilities. (Sherry Surrebuttal Test., at 14.) Yet, Ameritech is not proposing to impose a BFR process as a condition to customized routing of its defined dedicated/"shared" transport. (Dunny, Tr. Vol. 12, p. 83.) If a BFR process is not needed to test "technical feasibility" in the latter instances, Ameritech cannot justify requiring competing carriers to go through a BFR process to route their OS/DA traffic, as the same problems would be evidenced in connection with selective routing for Ameritech's version of shared transport. Ameritech's position is simply designed to impede new entry. Customized routing must

be made available on a standard offer basis before Ameritech can be deemed to have met the checklist.

Finally, with respect to the improper charges that Ameritech has proposed in connection with unbundled local switching, Ameritech's justification for the billing development charge was a need to differentiate ULS usage calls. Since Ameritech acknowledged, however, that it can already distinguish traffic to dedicated trunks, its real purpose for additional software is a result of Ameritech's definition of shared transport. (Dunny, Tr. Vol. 12 at 84-85.) As already discussed, this definition cannot be supported. Ameritech cannot justify its billing development charge, as it is improper on its face and, thus, noncompliant with nondiscriminatory provisioning of the ULS.

D. Ameritech has failed to comply with the requirements applicable to loops, databases, and interim number portability.

In its Initial Brief, AT&T also identified three other examples of Ameritech's failure to comply with applicable statutory requirements that illustrate the broad range of impediments that still remain for new entrants in Ameritech's local exchange market: (1) Ameritech's discriminatory provisioning of local loops without established timetables; (2) Ameritech's failure to permit proper access to AIN databases; and (3) Ameritech's refusal to make certain technically feasible interim number portability solutions available to its local competitors.

Ameritech's initial brief does not address its proposals regarding the timetables for provisioning local loops. With respect to access to databases and signaling systems, AT&T objected in its initial brief that Ameritech still does not have electronic interfaces in place that would allow competing providers to order AIN. In

response, Ameritech simply asserts that this is not required by the 1996 Act. (Initial Brief of Ameritech Ohio, at 52.) Ameritech's statement is incorrect. The FCC's Second Order on Reconsideration, released December 13, 1996, provides that ILECs must provide "interface design specifications for OSS functions. (Second Order on Reconsideration at 5.) As AT&T's witness demonstrated, Ameritech has established a manual process for requests for AIN services, claiming that all AIN services are unique. (Sherry Surrebuttal Test. at 19.) In fact, many AIN services and features are standard and will not involve customization. (Id.) Without written procedures and benchmarks for AIN services, Ameritech will have unfettered discretion in the development of new AIN services and there will be no basis to judge Ameritech's required nondiscriminatory provisioning.

Finally, with respect to access to interim number portability solutions, Ameritech first objects that issues regarding permanent number portability should not be considered by this Commission. (Initial Brief of Ameritech Ohio, at 53.) Its only comment with respect to the interim number portability issues raised by AT&T is to argue that this matter was resolved in the AT&T arbitration and "should not be relitigated." (Id., at 54.) That argument fails, for several reasons.

First of all, the arbitration proceedings were part of an accelerated process, the purpose of which was to produce an interconnection agreement to allow a new entrant to get into business as quickly as possible. The principal purpose of this proceeding, on the other hand, is to gauge whether Ameritech has yet complied with the requirements of § 271(c), and in particular whether with respect to the access and interconnection furnished by Ameritech pursuant to one or more § 271(c)(1)(A)

interconnection agreements Ameritech has fully implemented the competitive checklist. While defining the requirement generically was the thrust of the interconnection agreement, the purpose of this proceeding is to inquire whether and to what extent Ameritech has actually established adequate and reliable access.

That some issues may have been addressed in the arbitration and agreement approval proceedings is, in any event, not dispositive here. The product of the AT&T/Ameritech proceedings was an interconnection agreement. Some of the provisions in that agreement were voluntarily negotiated; other provisions were arbitrated. The resulting agreement is the product of much "give and take" on behalf of both parties, with the parties framing and addressing the issues in ways best suited to their needs — in AT&T's case, a desire to enter the market as promptly as possible. In contrast, there is no compromise — there can be no "give and take" — when it comes to Ameritech's compliance with § 271. Ameritech is required to strictly comply with all relevant provisions of § 271. Hence, the manner in which interim number portability issues may have been treated in the Ameritech/AT&T proceedings does not bind the Commission here and certainly does not preclude the Commission from supplying a more highly refined and procompetitive standard. At the present time, Ameritech does not actually provide any interim number portability solutions in Ohio. (Dunny Test., Tr. Vol. XII at 101.) The Commission should not accept Ameritech's claim that it is foreclosed from determining Ameritech's compliance with this checklist requirement.

IV. AMERITECH'S ENTRY INTO INTERLATA SERVICES UNDER CURRENT LOCAL MARKET CONDITIONS WOULD NOT SERVE THE PUBLIC INTEREST

In its initial brief, Ameritech has chosen not to address issues involving the current state of competition in its local exchange market and the effect that its requested entry into interLATA services would have on the public interest, although it was requested to do so in the Attorney Examiner's Entry of February 7, 1997. (Initial Brief of Ameritech Ohio, at 1.) As AT&T pointed out in its Initial Brief, Ameritech still effectively retains monopoly control over its local exchange market and consumers still have no reasonable alternatives to Ameritech for local telephone service. Accordingly, permitting Ameritech to enter interLATA services at this time would harm the public interest by removing any incentive Ameritech may have to cooperate in opening the local market to competition, enabling Ameritech to use its control over local exchange facilities to impede long-distance competition, and granting it a second monopoly in the provision of end-to-end bundled services in Ohio with which no other carrier could realistically compete.

It is beyond cavil that Ameritech continues to dominate its local exchange market, and that Ohio consumers still have no real choices for telephone service. Some of the reasons behind this lack of progress toward a competitive local market have been made clear in these proceedings. Ameritech repeatedly proclaims that its market is now open, that its services and network elements are available to all, and that its interface systems are "operational," but its conduct demonstrates precisely the opposite. In its frantic rush to enter in-region interLATA services, Ameritech asks this Commission to substitute Ameritech's promises, wishful thinking, blame-shifting, and

creative definitions of such basic terms as "operational," for the statutory requirements of existing parity, true nondiscriminatory access, and actual, real competition in the local exchange market.

No matter how it twists and turns in these proceedings, Ameritech cannot escape the undeniable fact — evidenced by Ohio consumers' current lack of alternatives for telephone service — that it has not cleared the hurdle Congress imposed in the 1996 Act. When Congress determined that the continuation of RBOC monopolies in local exchange markets was not in the public interest, it offered a "carrot" — entry into in-region interLATA services — to RBOCs willing to relinquish their stranglehold on those markets. Simply stated, Ameritech wants the carrot without paying the full price of opening its local market to effective competition. The benefits to consumers that were envisioned by Congress have been swept away in Ameritech's haste to obtain interexchange certification now, before it has leveled the playing field for local competitors.

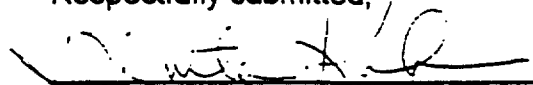
On the other hand, there is much to be gained, and nothing lost, if the Commission refuses to abet that strategy and instead recommends that Ameritech's entry into interLATA services be delayed until it has met the statutory requirements in the real world, and competitors can actually obtain the network elements and services they must have to offer Ohio consumers a real choice in telephone service. There is no other way to ensure that Ameritech's OSS will actually become operational for new entrants, that Ameritech will ultimately allow access to truly shared transport, that it will permit NECs to use customized routing to direct their customer calls to the their own OS/DA platforms, and that it will meet the other requirements addressed in this Brief.

That day may come, but it is not yet here, and the public interest requires that Ameritech first meet its obligations, and allow competition in its local market and free choices for Ohio consumers, before this Commission endorses its entry into interLATA services.

V. CONCLUSION

For the reasons set forth above and in its Initial Brief in this matter, AT&T Communications of Ohio, Inc., respectfully requests that the Commission find and verify to the FCC that Ameritech Ohio is not yet eligible for entry into interLATA services under the Track A or Track B provisions of §271(c)(1); that Ameritech has not yet met the requirements of the competitive checklist provisions in §271(c)(2); and that Ameritech's entry into interLATA services at this time would not enhance competition in the local exchange market, would not increase the choices available to Ohio consumers, and would not serve the public interest.

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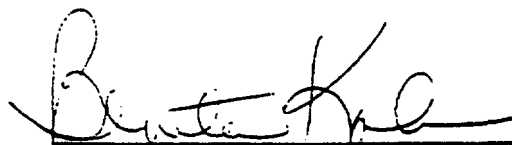
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Reply Brief was served on the parties designated on the attached service list by ordinary U.S. Mail on this 17th day of March, 1997.

A handwritten signature in cursive script, appearing to read "Benita Kahn", written over a horizontal line.

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